

STATE OF MISSOURI

FIFTEENTH *and* SIXTEENTH
ANNUAL REPORTS

OF THE

PUBLIC SERVICE COMMISSION

FOR YEARS ENDING NOVEMBER 30, 1927,
AND NOVEMBER 30, 1928.

COMMISSIONERS:

ALMON ING, *Chairman,*
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER,
J. P. PAINTER.

JEFFERSON CITY, 1928.

MISSOURI PUBLIC SERVICE COMMISSION

Commissioners:

ALMON ING, Poplar Bluff, Chairman;
D. F. CALFEE, Jefferson City,
S. M. HUTCHISON, Kansas City,
J. H. PORTER, St. Louis,
J. P. PAINTER, Milan.

General Office:

JOHN W. CAMPBELL, Stockton, Secretary;
RALPH M. EUBANKS, Milan, Reporter of Opinions,
MARY FIDLER, Salisbury, Assistant Accountant,
MRS. HAZEL BENEFIEL, Jefferson City, File Clerk,
EMMA DACHSEL, Jefferson City, Stenographer.

Legal Department:

D. D. McDONALD, Lebanon, General Counsel;
SAM S. HALEY, Jefferson City, Assistant Counsel (Resigned
November 15, 1928),
H. O. HARRAWOOD, Poplar Bluff, Assistant Counsel (Appointed December 17, 1928),
MRS. LILLIAN PETERSON, Milan, Stenographer.

Engineering Department:

F. M. PLAKE, Jefferson City, Chief Engineer;
E. E. TOWLES, Jefferson City, Assistant Engineer,
W. K. FREUDENBERGER, Columbia, Assistant Engineer,
B. F. SCHABERG, St. Louis, Assistant Engineer,
J. E. FLANDERS, Paris, Assistant Engineer,
H. E. ROBERTS, Columbia, Assistant Engineer,
J. BEN BLANTON, Sikeston, Assistant Engineer,
M. M. BURLEY, Lebanon, Assistant Engineer,
MARGUERITE GILLOGLY, Warsaw, Stenographer.

Transportation Department:

V. E. SMART, Jefferson City, Chief Rate Expert,
H. F. CHOLET, Jefferson City, Assistant Rate Expert,
BEATRICE MOORE, Trenton, Stenographer.

Accounting Department.

H. W. ROSS, Jefferson City, Chief Accountant;
H. B. LYSAGHT, St. Joseph, Assistant Accountant,
A. L. HOULEHAN, Jefferson City, Assistant Accountant,
GEO. B. COLEMAN, St. Louis, Assistant Accountant,
A. J. BARAGIOLA, St. Louis, Assistant Accountant,
JAS. M. ROSS, St. Louis, Assistant Accountant,
HAZEL GOVE, Jefferson City, Stenographer.

Electric Light, Gas, Heat and Water Department.

R. E. DUFFY, Greenfield, Chief Electric and Mechanical
Engineer,
LUCILLE HOLLEROTH, Jefferson City, Stenographer.

Telephone and Telegraph Department

W. W. JOHNSON, Kansas City, Telephone Expert,
FRIEDA HOFFMEYER, Jefferson City, Stenographer.

Motor Bus Division

EDWIN S. AUSTIN, Jefferson City, Director;
RUTH FRANCES WILSON, Rich Hill, Stenographer.

Official Commission Reporters

GERTRUDE NELSON, Jefferson City,
FLOY ING SMITH, Hutton Valley,
MARY LUETKEWITTE, Jefferson City.

Janitors

ANDY RICHMOND, Jefferson City,
E. M. GIBSON, Jefferson City.

General Offices: First Floor Capitol Building, Jefferson City,
Mo.

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(5)

LETTER OF TRANSMITTAL

STATE OF MISSOURI.

Public Service Commission.

Jefferson City, Mo., December 1, 1928.

To His Excellency, SAM A. BAKER, Governor of Missouri:

Dear Sir: I have the honor to transmit the Fifteenth and Sixteenth Annual Reports of the Public Service Commission of Missouri, covering the biennium from November 30, 1926, to November 30, 1928, inclusive.

Very respectfully yours,

ALMON ING, Chairman.

(6)

STATE OF MISSOURI

15th And 16th Annual Reports
OF THE
PUBLIC SERVICE COMMISSION

Statement by the Commission:

The personnel of this Commission has undergone but few changes during the last biennial period. Almon Ing was appointed Chairman of the Commission to succeed Thomas J. Brown, Chairman, who resigned October 1, 1928, and J. P. Painter was appointed to the Commission to fill the vacancy created by the resignation of Mr. Brown. With these changes the Commission is now composed of: Almon Ing, Poplar Bluff, Butler County, Chairman; Dudley F. Calfee, Jefferson City, Cole County; Samuel M. Hutchison, Kansas City, Jackson County; John H. Porter, St. Louis; and James P. Painter, Milan, Sullivan County.

The Commission, since November 30, 1926, to December 1, 1928, has made formal reports and orders in 1163 cases, an increase of 351 formal cases disposed of over the same period covered by the last biennial report, and has had filed 1159 formal cases. Some of the 96 cases recorded as pending on December 1, 1928, will have been disposed of before publication of this report and others are pending by reason of continuances requested, or awaiting valuations and appraisals to be made of properties. Others of the cases pending will be adjusted and dismissed, but the greater number are awaiting sufficient length of time for answer to be filed, that the required notice may be given before hearing can be held. In addition to the formal reports and orders, the Commission has issued many orders in respect to pending matters, not covered in the list of formal reports and orders.

Our informal cases, those handled by correspondence, conference, etc., covering this period, totaled 306,265 of which have been disposed of, leaving 41 pending. These are cases handled entirely between the Commission and interested parties,

and are, in most instances, settled without formal hearings. If a hearing is found to be necessary, the informal case is closed and a formal case made covering the subject-matter.

Probably the most difficult task confronting the Commission during this biennium has been the development of a program of administration and regulation of motor carriers in accordance with the motor bus law passed by the last General Assembly. Although the law did not become effective until July 5, 1927, the Commission has, since that date, received 199 applications of motor bus operators and has issued 127 certificates of convenience and necessity, dismissed or denied 38 applications and 22 certificates have been transferred upon formal applications in accordance with Section 4 of the law.

Soon after the passage of the motor bus law by the Fifty-Fourth General Assembly, and before the date of its taking effect, the Commission called a meeting of all motor bus operators in the state which was held at the office of the Commission in Jefferson City on June 15, 1927. The procedure of this meeting was an open discussion between motor bus operators and members of the Commission, relating to the new law governing motor bus operations.

Immediately following the informal meeting the Commission issued its General Order No. 25 in compliance with the law, which contains the provisions of the law and the rules relating to procedure in this new field of regulation.

As a direct result upon the work of the Commission by the enactment of the motor bus law, its business has grown to a volume approximately 30 per cent greater than at any other time in the history of the Commission.

The Transportation Department of this Commission has in the past biennium disposed of a number of important cases affecting freight rates both intrastate and interstate in Missouri, the department cooperating with the Interstate Commerce Commission in the latter class of cases. Chief among these was a petition filed by the railroads in Western Trunk Line territory (which includes the northern portion of Missouri) averring that since the passage of the Transportation Act in 1920, the western carriers had not earned, and were not then earning a fair return upon the aggregate value of their railway property, and asked for an increase in their revenue by advancing all freight rates 5 per cent, excepting a few commodities. A similar petition

was filed with this Commission. Joint cooperative hearings were held in several cities in the Western District in which this department of the Commission entered appearances and offered testimony and exhibits and a decision was entered by the Interstate Commerce Commission denying the petition of the carriers. The carriers later withdrew their petition to this Commission.

The Commission has been able to secure reductions in electric rates for approximately 700 communities, reductions in gas rates for approximately 10, reductions in steam heating rates for 3 and has adjusted by correspondence and conference more than 1000 complaints regarding rates or service of water, gas and electricity. The amount of savings to the general public as a direct result of these reductions will amount to more than \$1,500,000 annually in the aggregate.

The Commission, in most instances, first requests a conference with the manager and operators of the utility involved, in which the matter is discussed, and as a result substantial rate reductions are secured in many cases without the necessity of long-drawn-out proceedings. In this way the public receives the immediate benefit of the reductions, whereas, in contested cases the Commission may not be able to secure and put in force reduced rates for six months or a year, or even a longer period.

These economies to the people, while the most easily comprehended of the service rendered by the Commission to the state, should by no means be considered the chief service rendered during the time covered by this report. The cost of the utility service is, of course, important to the public, but no more so than the quality of service.

At the present time, and in the large cities more particularly, the comfort and convenience of practically every family depends upon the existence and certainty of the service rendered by public utilities. The importance of having some Governmental agency with power to regulate both cost and quality of service and the continuity thereof, is easily understood. This function is discharged solely by the Public Service Commission in this state. The number of decisions and orders made, and the number of complaints filed, do not fully indicate the Commission's importance to the people. The fact that it has this duty to discharge and is vested with authority to enforce its orders and decisions, is a compelling force for adequate and efficient utility service. The self-interest of the utility should be sufficient, and

in the main, does secure efficient service and fair and courteous dealing with its consumers, yet the existence of this department, where any citizen may, without expense, present such complaint as he may have against any utility company that does or should serve him, having the assurance that his complaint will be given careful and immediate attention, serves as a strong factor in maintaining that service at all times which is adequate and efficient.

In this connection the Commission is now and has been making an earnest effort to acquaint the people of the state with the right any citizen has to make complaint, either formal or by letter, and with the fact that the Commission is anxious to be advised of any failure on the part of any utility to properly perform its full duty to its patrons. There are but few days that pass without some misunderstanding between a public utility and its customers being adjusted.

The Commission not only has jurisdiction over rates and service but is charged with the duty of supervising stock, bond and note issues of the public utilities in the state. No utility corporation can issue notes, stock or bonds without the Commission's consent and approval. The Commission investigates the utility's financial condition for the purpose of determining whether or not the property and earnings of such utility will support the securities to be issued. The Commission, in its orders approving the issuance of securities by public utilities, requires the utility to furnish detailed reports showing the actual disposition of the proceeds received from these issues. The purpose of all this is to prevent over-capitalization with its attendant evils.

The Commission, during the period covered by this report, has passed upon issues of par stock, notes and bonds in excess of \$90,107,953 and non-par stock exceeding 1,393,218 shares. In addition to this, much work has been done in making audits and valuations of utility properties for rate-making purposes. Among the larger companies involved in these audits and appraisals are the United Railways Company of St. Louis (two audits); the Capital City Water Company, Jefferson City; the Laclede Gas Light Company, St. Louis; the St. Louis County Water Company, St. Louis County; the Missouri-Kansas Pipe Line Company, Kansas City; and the Lexington Water Company, Lexington.

In order to keep safely within the limits of its appropriation, the Commission has curtailed its expenditures and limited its activities along certain lines to an extent justified only by reason of the lack of funds. In carrying out this forced policy, the Commission has, at times, dispensed with some of its needed employes, removed telephones from some of its departments, used a hectograph machine in the preparation of documents that should have been printed for some of its permanent files, and has held a great number of its hearings at its office in Jefferson City which should and otherwise would have been held in the vicinity of the communities involved. It has also been forced to forego the making of several audits and appraisals. Notwithstanding the restricted appropriations, the business transacted by the Commission has gradually and continuously increased. The assumption of control over motor bus operations has added 30 per cent. in volume to the work, and the business of the Commission is now greater than at any other time in its history.

The Commission cannot refrain from saying that the forced economies above mentioned have been at the expense of needed service to the public. It should have additional accountant and engineers in order that it may have in its files complete and up-to-date audits and appraisals of most of the utility properties in the state. It should further have necessary inspectors whose duty it would be to inspect regularly the operations and service of the utilities to the end that the consumers would receive adequate and efficient service. These inspectors would further assist the Commission in enforcing its orders. The Commission should also have some additional clerical or stenographic help as the volume of business has increased to a point where it is difficult to complete the reports and orders and other business as promptly and efficiently as its importance warrants.

The reports of the separate departments of the Commission are hereto appended and made a part of this report.

HISTORICAL.

Appointments—Time of Service of Each Commissioner—Membership of the Commission to December 1, 1926.

The law creating the Missouri Public Service Commission was introduced in the legislature by Senator William G. Busby, of Carroll County, and became effective April 15, 1913. By its provisions the Commission shall consist of five (5) members to be appointed by the Governor, with the advice and consent of the Senate, one of whom shall be designated by the Governor to be Chairman of the Commission. One of said Commissioners shall hold office for two years, two shall hold office for four years and two shall hold office for six years; that upon the expiration of each of said terms each Commissioner thereafter appointed shall hold office for a term of six years from the beginning of their terms. Vacancies in said Commission shall be filled by the Governor for the unexpired term.

Effective April 15, 1913 there were appointed:

FRANK A. WIGHTMAN, railroad expert, of Monett, Mo., for a term of two years, ending April 15, 1915.

JOHN KENNISH, lawyer, of Kansas City, Mo., for a term of four years, ending April 15, 1917.

HOWARD B. SHAW, electrical engineer, of Columbia, Mo., for a term of four years, ending April 15, 1917.

JOHN M. ATKINSON, lawyer, Chairman, of Doniphan, Mo., for a term of six years, ending April 15, 1919.

WILLIAM F. WOERNER, lawyer, of St. Louis, Mo., effective July 3, 1913, for a term ending April 15, 1919.

WILLIAM F. WOERNER, resigned, effective November 18, 1914; and EDWIN J. BEAN, lawyer, of DeSoto, Mo., effective November 19, 1914, was appointed for the unexpired term ending April 15, 1919.

FRANK A. WIGHTMAN, resigned, effective April 24, 1915; and

EUGENE MCQUILLIN, lawyer, of St. Louis, Mo., effective April 24, 1915, was appointed for a term ending April 15, 1921.

JOHN M. ATKINSON, Chairman, resigned, effective May 1, 1916; and WILLIAM G. BUSBY, lawyer, of Carrollton, Mo.,

effective May 1, 1916, was appointed for the unexpired term, ending April 15, 1919, and named Chairman of the Commission.

EUGENE MCQUILLIN, resigned, effective February 21, 1917; and

*DAVID E. BLAIR, lawyer, of Joplin, Mo., effective February 26, 1917, was appointed for the unexpired term, ending April 15, 1921. Resigned August 23, 1920, effective immediately.

NOAH W. SIMPSON, lawyer, of LaBelle, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice John Kennish, whose term had expired.

EDWARD FLAD, civil engineer, of St. Louis, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice Howard B. Shaw, whose term had expired. Resigned, effective October 11, 1921.

A. J. O'REILLY, civil engineer, of St. Louis, Mo., effective October 11, 1921, was appointed for the unexpired term ending April 15, 1923.

JOHN KENNISH, lawyer, of Kansas City, Mo., effective August 23, 1920, was appointed for the unexpired term ending April 15, 1921. Resigned, effective December 1, 1920; and

JOHN A. KURTZ, lawyer, of Kansas City, Mo., effective December 1, 1920, was appointed for the unexpired term ending April 15, 1921. May 1, 1921, was appointed for a full term of six years ending April 15, 1927, and named Chairman of the Commission, vice William G. Busby, resigned. Died June 17, 1923; and

MERRILL E. OTIS, lawyer, of St. Joseph, Mo., effective June 23, 1923, was appointed for the unexpired term ending April 15, 1927, and named as Chairman of the Commission. Resigned, effective August 15, 1924.

WILLIAM G. BUSBY, Chairman, resigned, effective May 1, 1921; and

HUGH McINDOE, lawyer, of Joplin, Mo., was appointed for the unexpired term, ending April 15, 1925. Died May 28, 1923; and

RICHARD H. MUSSER, lawyer, of Plattsburg, Mo., effective June 16, 1923, was appointed for the unexpired term ending April 15, 1925.

*David E. Blair was elected Judge of the Supreme Court, Nov. 2, 1920.

THOMAS J. BROWN, lawyer, of Charleston, Mo., effective June 13, 1923, was appointed for a term ending April 15, 1929, vice Noah W. Simpson, whose term expired April 15, 1923. Named Chairman of the Commission, effective August 30, 1924, to succeed Merrill E. Otis, Chairman, resigned, effective August 15, 1924.

ALMON ING, lawyer, of Poplar Bluff, Mo., effective January 14, 1925, was appointed for the unexpired term ending April 15, 1927, of Merrill E. Otis, resigned. Reappointed, effective April 15, 1927, for a full term ending April 15, 1933. Named Chairman, effective October 1, 1928, vice Thomas J. Brown, Chairman, resigned.

D. F. CALFEE, lawyer, of Jefferson City, Mo., was appointed January 15, 1925, for the unexpired term ending April 15, 1929, for A. J. O'Reilly, assuming the duties February 4, 1925.

S. M. HUTCHISON, lawyer, of Kansas City, Mo., effective April 15, 1925, was appointed for a term ending April 15, 1931, vice R. H. Musser, resigned.

J. H. PORTER, engineer, of St. Louis, Mo., effective June 26, 1925, was appointed for a term ending April 15, 1931, vice Edwin J. Bean, resigned.

J. P. PAINTER, lawyer, of Milan, Mo., effective October 1, 1928, was appointed for a term ending April 15, 1929, vice Thomas J. Brown, resigned.

Membership of the Commission for the period of time named:
From April 15, 1913, to July 3, 1913:

JOHN M. ATKINSON, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
FRANK A. WIGHTMAN.

From July 3, 1913, to November 18, 1914:

JOHN M. ATKINSON, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
FRANK A. WIGHTMAN,
WILLIAM E. WOERNER.

From November 18, 1914, to April 24, 1915:

JOHN M. ATKINSON, Chairman;
JOHN KENNISH,

HOWARD B. SHAW,
FRANK A. WIGHTMAN,
EDWIN J. BEAN.

From April 24, 1915, to May 1, 1916:

JOHN M. ATKINSON, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN,
EUGENE MCQUILLIN.

From May 1, 1916, to February 21, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN,
EUGENE MCQUILLIN.

From February 21, 1917, to February 26, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN.

From February 26, 1917, to April 15, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN,
DAVID E. BLAIR.

From April 15, 1917, to August 23, 1920:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,
DAVID E. BLAIR,
NOAH W. SIMPSON,
EDWARD FLAD.

From August 23, 1920, to December 1, 1920:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,

NOAH W. SIMPSON,
EDWARD FLAD,
JOHN KENNISH.

From December 1, 1920, to May 1, 1921:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
JOHN A. KURTZ.

From May 1, 1921, to October 11, 1921:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
HUGH MCINDOE.

From October 11, 1921, to April 15, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
HUGH MCINDOE,
A. J. O'REILLY.

From April 15, 1923, to June 13, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
HUGH MCINDOE,
A. J. O'REILLY.

From June 13, 1923, to June 16, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN.

From June 16, 1923, to June 17, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,

THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 17, 1923, to June 23, 1923:

EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 23, 1923, to August 15, 1924:

MERRILL E. OTIS, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From August 15, 1924, to January 14, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
RICHARD H. MUSSER.

From January 14, 1925, to February 4, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
RICHARD H. MUSSER,
ALMON ING.

From February 4, 1925, to March 2, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
ALMON ING,
D. F. CALFEE,
RICHARD H. MUSSER.

From March 2, 1925, to April 17, 1925:

THOMAS J. BROWN, Chairman;
ALMON ING,
EDWIN J. BEAN,
D. F. CALFEE.

From April 17, 1925, to June 15, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON.

From June 15, 1925, to June 26, 1925:

THOMAS J. BROWN, Chairman;
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON.

From June 26, 1925, to December 1, 1926:

THOMAS J. BROWN, Chairman;
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER.

From December 1, 1926, to October 1, 1928:

THOMAS J. BROWN, Chairman;
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER.

From October 1, 1928, to December 1, 1928:

ALMON ING, Chairman;
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER,
J. P. PAINTER.

LEGAL DEPARTMENT.

This department consists of the General Counsel, Assistant Counsel and one stenographer.

The following shows the nature of the proceedings had in the various suits begun, ending or disposed of during the period beginning November 30, 1926, and ending November 30, 1928, inclusive, and which have been handled by this department.

1. **Union Electric Light and Power Company Case:** These cases, eight in number and of like character, were brought in the Circuit Court of Cole County, Missouri, in April, 1919, by certain large consumers of the company in the City of St. Louis to review and set aside an order of the Commission granting an increase to the company in rates for heat furnished. These cases were heard together on the 31st day of October, 1919. Later the Circuit Court set aside the orders of the Commission. Appeals were taken by the Commission and the Company. The cases were briefed and argued at the April term, 1921, of the Supreme Court, and that Court sustained the order of the Commission. Writ of error sued out to Supreme Court of the United States, which was by the Court, upon submission, dismissed for lack of jurisdiction.

2. **Springfield Gas Case:** This is an injunction case filed in the United States District Court and grows out of an application by the Company before the Commission, asking for certain valuations and rates. Upon this application, the order was later by the Commission made, fixing a valuation and prescribing rates which the Company contended were unjustly low and sought injunctive relief in the District Federal Court, on the Constitutional ground that the order of the Commission deprived the company of its property without due process of law. The cause was tried in the Federal Court and injunction granted. Motions for a rehearing and a plea to the jurisdiction of the court were filed, briefed and submitted, which were by the Court over-ruled and cause not appealed for lack of funds.

3. **Wabash Railway Company (Delmar Grade Crossing Case):** This case grows out of an application of the City of St. Louis for a separation of the grade at Delmar in the City of St. Louis, where said street is crossed at grade by the Wabash Rail-

way Company. From an order of the Commission, separating said grade by means of a viaduct and apportioning the cost between the City and the Railroad Company, a writ of review was sued out by the railroad company against the Commission in the Cole County Circuit Court, which Court reversed the order of the Commission and remanded the cause. From this judgment of the Cole County Circuit Court, the Commission, together with the City of St. Louis, appealed to the Supreme Court of Missouri, where the case was briefed and argued and which court later by its decision reversed the Cole County Circuit Court and sustained the order of the Commission. From this decision of the Supreme Court of Missouri, the railroad company sued out a writ of error to the Supreme Court of the United States, where the case was briefed and argued and judgment rendered reversing and remanding this cause to the Supreme Court of Missouri for its interpretation of the uniform clearance law passed by the Legislature in 1925. The Supreme Court of Missouri held that the uniform clearance law did not apply to this case and they affirmed the order of the Commission. The viaduct in question is now in process of construction.

4. **West St. Louis Water and Light Company Case (involving wholesale water rates):** This case was taken to the Cole County Circuit Court on writ of review where the order of the Commission was reversed. Appeal was taken from the Circuit Court to the Supreme Court, where the case was briefed and argued and the Supreme Court reversed the judgment of the Circuit Court and affirmed the order of the Commission.

5. **City of Kirkwood Case:** This is an injunction proceeding brought by this department on order of the Commission against the City of Kirkwood, asking that they be restrained from furnishing water service in unauthorized territory. This case was tried by the Circuit Court of the County of St. Louis and judgment rendered for the Commission. Case appealed to Supreme Court of Missouri, briefed and submitted. Judgment of the Circuit Court reversed.

6. **Short Line Railroad Company Case:** This case originated by writ of review sued out of the Circuit Court of Cole County, to review decision of the Commission refusing to grant certificate of convenience and necessity to the Short Line Company. This case tried in the Circuit Court, judgment affirmed

order of the Commission, appealed to the Supreme Court by the railroad Company. Appeal dismissed.

7. **Southwestern Bell Telephone Case:** This case originated by writ of certiorari sued out of the St. Louis City Circuit Court by the City of St. Louis, to review order of the Commission valuing property and fixing a rate for telephone service in the City of St. Louis. Tried by the Circuit Court, judgment sustaining the order of the Commission. Upon appeal to Supreme Court judgment rendered dismissing the appeal.

8. **State ex rel. City of St. Joseph vs. Public Service Commission. Water Rates:** This case originated by writ of review sued out from the Cole County Circuit Court to review an order of the Commission establishing water rates in St. Joseph. Trial in the Circuit Court, judgment for the Commission, appeal taken by the City to the Supreme Court. Judgment of the Circuit Court reversed. Motion to transfer to court en banc filed and case now pending on motion.

9. **Macon Telephone Company vs. Public Service Commission, Involving Toll Rates Between Macon and Bevier:** Case originated by telephone company suing out writ of review in the Cole County Circuit Court, where, after return made by the Commission, the case was tried and judgment rendered sustaining the order of the Commission. Appeal taken by telephone company to the Supreme Court. Appeal dismissed.

10. **State ex rel. Missouri Pacific vs. Public Service Commission:** Overhead crossing at Vulcan, Missouri. On appeal by railroad company to Supreme Court from decision of the Circuit Court affirming order of the Commission, judgment rendered affirming the order of the Commission.

11. **State ex rel. Missouri Pacific vs. Public Service Commission (involving underpass at Syracuse, Missouri):** Writ of review dismissed by relator in the Cole County Circuit Court.

12. **C. R. I. & Pac. vs. Public Service Commission (involving underpass at Cameron):** Writ sued out to Cole County Circuit Court, argued and submitted and before judgment, dismissed by relator.

13. **State ex rel. Farmers Elevator Company vs. Public Service Commission (involving grade crossing at Silex, Missouri, with the St. Louis & Hannibal Railroad):** Writ of review to the Pike County Circuit Court. Argued and submitted and judgment reversing the order of the Commission. Motion for new

trial sustained, and tried and judgment sustaining the order of the Commission entered and motion for new trial filed. Cause pending on this motion.

14. **State ex rel. Pugh v. Public Service Commission (involving suburban fares on Frisco Railroad into St. Louis):** Tried in the Circuit Court of St. Louis, judgment of Circuit Court reversing the order of the Commission, appealed to the Supreme Court and judgment of that court reversing the Circuit Court and affirming the order of the Commission.

15. **State ex rel. Lohman and Farmers Mutual Telephone Company vs. Public Service Commission:** Writ of review sued out from the Cole County Circuit Court to review an order of the Commission requiring certain telephone service. Case briefed, argued and submitted and judgment of Circuit Court affirming order of Commission. Appeal taken to Supreme Court, where case is pending.

16. **Calhoun Farmers Mutual Telephone Company vs. Missouri Union Telephone Company and Southwestern Bell Telephone Company and Public Service Commission:** Complaint dismissed for want of jurisdiction and writ of review sued out of the Henry County Circuit Court to review order of the Commission. Judgment of Circuit Court affirming order of the Commission, motion for new trial filed and case pending on said motion.

17. **State of Missouri ex rel. City of St. Louis v. Public Service Commission (flasher light case):** The Commission by its order permitted certain crossings to be protected by flasher lights. The case was taken on writ of review by the City of St. Louis to the Circuit Court of St. Louis, and after retrial, judgment was rendered affirming the order of the Commission and no appeal was taken.

18. **State ex rel. Gus v. Brecht Butchers Supply Company vs. Public Service Commission:** The Commission refused to require the building of a certain industrial track and the furnishing of particular freight service. Case is now pending on writ of review by the applicant in the Cole County Circuit Court.

19. **State ex rel. E. W. Jenkins, Sec., vs. Public Service Commission: Firestone Tire and Rubber Case (Clearance Application):** The Commission found that compliance with the clearance law was impracticable. Case tried in Circuit Court of Cole County. Judgment affirming the order of the Commission.

From that judgment, appeal taken to the Supreme Court, where case is now pending.

20. **State ex rel. E. W. Jenkins Sec., vs. Public Service Commission. Pittsburg Plate Glass Case (Clearance Application):** The Commission found that compliance with the clearance law was impracticable. On writ of review, this case was taken to the Cole County Circuit Court, where it was tried and judgment affirming the order of the Commission was entered, appeal taken from this judgment to the Supreme Court, where case is now pending.

21. **State ex rel. Receivers Chicago & Alton Railroad Company vs. Public Service Commission. (Glasgow Viaduct):** Commission ordered construction of viaduct. Writ sued out by the railroad company in the Cole County Circuit Court and after the case was briefed, argued and submitted, the same was dismissed by the relator.

22. **State ex rel. Campbell Iron Company et al. vs. Public Service Commission (Extension Order Case):** Original writ of certiorari sued out of the Supreme Court of Missouri, to test the validity of certain telephone rates. Judgment of the Supreme Court quashed the writ.

23. **United Railways Company et al. vs. Public Service Commission:** Injunction brought against the Commission in the Federal Court at Kansas City, Missouri. Case briefed, argued and submitted and judgment by the statutory court dissolving the injunction and dismissing applicant's bill.Appealed to the Supreme Court of the United States by applicant and appeal dismissed.

24. **State ex rel. St. Louis-San Francisco Railway Company vs. Public Service Commission (Willow Springs Depot Repair Case):** The Commission required certain repair of station and case taken by relator by writ of review to the Cole County Circuit Court, where case was settled by agreement and case dismissed as per stipulation.

25. **State ex rel. City of St. Louis vs. Public Service Commission:** Writ of review sued out by relator in the Cole County Circuit Court to review the rates under extension order. Judgment of the Circuit Court affirming the order of the Commission. No appeal taken.

26. **Capital City Water Company v. Public Service Commission.** Injunction proceedings in the United States District Court. Case pending.
27. **State ex rel. Missouri Pacific Railroad Company v. Public Service Commission.** (Winner Road Viaduct Cases): Four writs of certiorari sued out in the Circuit Court of Cole County. Cases consolidated, tried and judgment of the Circuit Court affirming order of Commission. Appeal to Supreme Court, where case is now pending.
28. **Brooks et al. v. Public Service Commission:** Writ of certiorari issued out of Cole County Circuit Court. Case argued, briefed and submitted and now awaiting decision of Circuit Court.
29. **Rogers Iron Works, Inc. vs. Public Service Commission:** Writ of certiorari sued out of Jasper County Circuit Court. Case argued, briefed and submitted. Awaiting decision of Circuit Court.
30. **State ex rel. Capital Stage Lines v. Public Service Commission:** Writ of certiorari sued out of Circuit Court of Cole County. Case pending.
31. **State ex rel. Detroit-Chicago Motor Bus Co. v. Public Service Commission:** Writ of certiorari issued out of Cole County Circuit Court. Case briefed, argued and submitted. Awaiting decision of Circuit Court.
32. **State ex rel. Gregory Bus Line v. Public Service Commission:** Writ of certiorari issued out of Cole County Circuit Court. Case argued, briefed and submitted and taken under advisement by court.
33. **State ex rel. Obe Henson v. Public Service Commission:** Writ of certiorari issued out of Cole County Circuit Court. Case argued, briefed and submitted and taken under advisement by Circuit Court.
34. **State ex rel. E. W. Jenkins v. Public Service Commission. Grennell Co. Inc. (Clearance Application):** Writ of certiorari issued out of Circuit Court of Cole County. Case argued, briefed and submitted and taken under advisement.
35. **State ex rel. E. W. Jenkins v. Public Service Commission. Frisco Icing Dock Case. (Clearance Application):** Writ of certiorari issued out of Circuit Court of Cole County. Case argued, briefed and submitted. Taken under advisement.

36. **State ex rel. E. W. Jenkins v. Public Service Commission.** **Chevrolet Motor Co. Case.** (Clearance Application): Writ of certiorari issued out of the Circuit Court of Cole County. Case argued, briefed and submitted and taken under advisement.

37. **State ex rel. E. W. Jenkins v. Publ'c Service Commission.** **Joplin Viaduct Case.** (Clearance Application): Writ of certiorari issued out of the Circuit Court of Cole County. Case argued, briefed and submitted and taken under advisement by court.

38. **State ex rel. Missouri Pacific Railroad Company v. Public Service Commission.** **Scofield Bus Case:** Writ of certiorari issued out of the Circuit Court of Cole County. Case argued, briefed and submitted and by court taken under advisement.

39. **State ex rel. Missouri Power and Light Co. v. Public Service Commission.** **Ashland Transmission Line Case:** Writ of certiorari issued out of the Cole County Circuit Court.. Writ filed, case pending.

40. **State ex rel. City of St. Louis v. Public Service Commission.** **8c Street Car Fare Case:** Writ of certiorari issued out of the Cole County Circuit Court. Return filed, case pending.

41. **State ex rel. Union Electric Light and Power Co. v. Public Service Commission** Writ of certiorari issued out of the Circuit Court of the City of St. Louis. Case argued, briefed, submitted and taken under advisement by court. Awaiting decision.

ENGINEERING DEPARTMENT

This department consists of a chief engineer, seven assistant engineers and one stenographer.

The duties of the Engineering Department consist of:

- (a). Appraisal of all properties over which the Commission has jurisdiction.
- (b). All matters relating to investigation of accidents on steam and electric railways.
- (c). All matters relating to protection, alteration and elimination of grade crossings.
- (d). Inspection of steam and electric railway properties.
- (e). Investigations to determine necessity and safety of switch and sidetrack connections.
- (f). All matters relating to steam and electric railway signal systems and interlocking plants.
- (g). All matters relating to steam and electric railway clearances.
- (h). All matters relating to street railway traffic studies and service.
- (i). Investigations relative to applications for certificate of convenience and necessity, filed by steam and electric railways.
- (j). All drainage investigations.
- (k). All investigations relative to filtration of water supplies, intakes, etc.

Appraisal of Property of Public Utilities

During the years 1927 and 1928, the Engineering Department completed appraisals of the following properties:

Clinton County Telephone Company.

Missouri Utilities Company, Southeastern group,

Lexington Water Company,

Capital City Water Company,

Capital City Telephone Company,

Midwest Telephone Company,

Harrisonville Electric Company,

West Missouri Telephone Company,

A large number of appraisals made by private and utility engineers were checked and verified by the Department for rate and financial purposes.

Investigation of Accidents on Steam and Electric Railways.

All steam and electric railways are required to wire immediate report of all accidents. These messages are followed by detailed report of the accident. At the end of each month a summary of all accidents that have occurred during that month is filed with the Commission.

A full and careful investigation is made of all highway grade crossing accidents resulting in injury or death. The purpose of these investigations is to determine the cause and apply corrective measures such as signals, gates, flagmen, etc.

As a result of these investigations many highway grade crossings have been protected and eliminated.

All cases requesting permission to establish grade crossings are carefully investigated and in practically all cases of this character, hearings are held and testimony taken in order that the Commission may have the benefit of all possible facts relative to hazard before making a decision.

Investigations were made, plans approved and recommendations made leading to the installation of automatic, flasher-light, wigwag or other grade crossing protection in twenty-two locations; the construction of fifty-six viaducts and subways and the closing of thirty-nine highway grade crossings.

Investigation of Signal Systems and Interlocking Plants.

Plans were approved for the installation of railroad crossing gates at Dexter Junction, Delta and Gault; Interlocking plants at East Bottoms and 18th Street, Kansas City, Mexico, St. Louis, Pleasant Hill, West Quincy, Richards, Chillicothe, Moberly and State Line near Mulberry, Kansas.

Investigations were made of Safety and Adequacy of service rendered by steam railways and a large number of hearings were held by the Commission, assisted by this Department, relative to the regulation of train service, requests for the discontinuance of station agents, etc.

Investigations were made of twenty-six requests for permission to construct tracks and structures with clearances less than prescribed by Commission's General Order.

General: Members of the Engineering Department attended and participated in hearings relating to the duties of the Department, and assisted the Commission in preparing reports and orders in many cases.

Special investigations were made of a number of properties in connection with complaints, financing, etc.

Analysis of Accidents: Compilation and analysis of the accident reports submitted by railroad and street railway carriers to the Commission, disclose the following:

YEAR 1927.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	2	478	1	1,568	3	2,056
Employees.....	21	1,308	4	78	25	1,386
Trespassers.....	108	130	0	1	108	131
Non-Trespassers.....	62	345	17	497	79	842
Totals.....	193	2,261	22	2,144	215	4,415

FIRST TEN MONTHS OF 1928.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	1	109	0	1,274	1	1,383
Employees.....	19	1,045	2	38	21	1,083
Trespassers.....	85	73	5	33	90	106
Non-Trespassers.....	49	124	20	391	69	515
Totals.....	154	1,351	27	1,736	181	3,087

DEPARTMENT OF STATISTICS AND ACCOUNTS.**Personnel.**

The personnel of this department from December 1, 1926 to June 15, 1927 consisted of a chief accountant, two expert accountants, two assistant accountants, and a stenographer. On June 15, 1927 the then chief accountant resigned, his place being filled by the promotion of one of the expert accountants. On April 1, 1928 an assistant accountant was promoted to the position of expert accountant, and on September 1, 1928 and September 17, 1928 two additional assistant accountants were employed. The department from September 17, 1928 to November 30, 1928 consisted of:

One Chief Accountant,
Two Expert Accountants,
Three Assistant Accountants,
One Stenographer.

Activities and Duties.

The regular activities and duties of the department are as follows:

- (a) Auditing books and records of steam railroads, electric railways, express, telephone, gas, electric, water and heating companies in order to ascertain investment, original cost, capitalization, accumulations in depreciation reserve, income, expenses, operating statistics and rate of return, to be used in valuation, capitalization and rate making cases.
- (b) Testifying before the Commission, and courts when necessary, with respect to audits made of various utilities.
- (c) Analyzing accounting and statistical exhibits and evidence presented by utilities in valuation, capitalization and rate making cases.
- (d) Examining quarterly, semi-annual and annual exhibits of operating results of companies operating under temporary rates or fares, in order to determine whether such rates should be further extended or terminated.
- (e) Preparing, mailing, receiving, acknowledging and filing annual reports of various utilities operating in the State.

- (f) Drafting accounting systems and forms of annual reports for utilities.
- (g) Advising verbally and by correspondence with the various utilities in all matters.
- (h) Compiling financial and operating data from annual reports of Missouri utilities for other commissions, for municipalities, civic leagues, traffic associations, utilities, brokers, attorneys and sundry petitioners for such information, at rates provided in the Statutes.
- (i) Analyzing annual reports of utilities in order to determine the rate of return being earned upon book values of utility property.
- (j) Examining and recording semi-annual reports of sales of bonds and stocks previously authorized by the Commission, and dispositions of proceeds therefrom.
- (k) Attending all hearings in cases involving the issuance of securities, preparing analyses of security applications, and assisting the Commission in preparation of reports and orders in security cases.

AUDITS DURING PERIOD.

The field forces of this department made the following audits during the period:

United Railways Company of St. Louis (Two audits):

An audit of this Company was made to determine the expenditures for additions and betterments to plant for the period January 1, 1919 to October 31, 1926 and the operating results for the year ended December 31, 1925 and the ten months ended October 31, 1926. This audit was made in connection with the valuation and fares of this Company and was presented in evidence and testified to at a hearing before the Commission. Various statistical schedules were prepared and a comprehensive study of cost of accidents was made, together with an analysis of the accumulations in the depreciation reserve account.

A supplemental audit of the books of this Company was made to determine the amount of the additions and betterments to plant from November 1, 1926 to December 31, 1926 and the accumulations in the depreciation reserve to December 31, 1926. Presented in evidence and testified to at a hearing before the Commission.

Capital City Water Company, Jefferson City.

This audit was made in connection with the valuation and rates of this Company, to determine the additions and betterments from January 1, 1925 to December 31, 1926, the cost of the new filter plant constructed by this Company and the profit and loss account for the year ended December 31, 1926. Presented in evidence and testified to at a hearing before the Commission.

Clinton County Telephone Company—Plattsburg.

This audit was made in connection with the valuation and rates of this Company to determine the additions and betterments from June 1, 1925 to December 31, 1926 and the profit and loss account for the year 1926. It involved the separation of property, revenues and expenses between exchange and toll traffic, and included various statistical schedules. Presented in evidence and testified to at a hearing before the Commission.

Laclede Gas Light Company, St. Louis.

This audit was made in connection with a rate application of this Company, in order to determine the additions and betterments to plant for the period October 1, 1925 to August 31, 1927 and the profit and loss account for the year ended December 31, 1926 and eight months ended August 31, 1927. Various statistical schedules were prepared and included, and a study made of the cost of manufacturing gas as compared with purchased gas. Testified to and presented in evidence at a hearing before the Commission.

St. Louis County Water Company, St. Louis County.

This audit was made in connection with the valuation and rates of this Company, to determine the investment in property to December 31, 1927 and the profit and loss for the years 1926 and 1927. Presented in evidence and testified to at a hearing before the Commission.

Lexington Water Company, Lexington.

This audit was made in connection with rates of this Company, to determine the profit and loss for the year ended December 31, 1927. Presented in evidence and testified to at a hearing before the Commission.

Missouri-Kansas Pine Line Company, Kansas City.

This audit was made in connection with a bond application of this Company to determine the capital expenditures to July

31, 1928. Presented in evidence at a hearing before the Commission.

Union Electric Light and Power Company, St. Louis and Vicinity.

This audit is now being made upon order of the Commission to determine the capital additions to plant since December 31, 1915 and the operating results for the latest available annual period. In this audit it will be necessary to separate the property, income and expenses between St. Louis and the other communities served, which will involve certain apportionments and the preparation of many statistical schedules. This is one of the largest audits ever undertaken by this department.

Accounting Systems.

A Uniform Classification of Accounts for Motor Bus Companies operating in the state was prepared and distributed to all motor bus companies in accordance with the requirements of the Motor Bus Law passed by the last legislature. This classification was published under General Order No. 26 of the Commission.

A form of annual report for Motor Bus Companies also was prepared and distributed to all motor bus companies.

ACCOUNTING.

Many inquiries, verbal and written, pertaining to accounting problems were handled by this department. In addition this department installed a system of accounts for a water utility at the request and expense of the utility.

ANALYSIS OF ANNUAL REPORTS.

The annual reports filed by the various utilities were checked and analyzed by this department and reports made to the Commission showing the book values of property, revenues and expenses, and the rates of return. As a result of these analyses, conferences were had with utilities, which in two cases resulted in reductions of electric rates amounting to \$925,000.00 annually. Other smaller rate reductions were made as a result of such analyses.

STOCKS, BONDS AND NOTES AUTHORIZED.

Utilities organized, incorporated or existing under the laws of Missouri may issue stocks, bonds, notes and other evidences of indebtedness payable at periods of more than twelve months after the date thereof only after securing an order of the Commission authorizing such issue. The order specifies the amount of the issue and the disposition of the proceeds, and contains the terms and provisions under which the issue may be made.

The regulation of securities issued by utilities is one of the important functions of the Commission, and the conditions surrounding the issues are carefully investigated in each case to determine whether the property and earnings will support the securities proposed to be issued. This department in each case reports its recommendation to the Commission and in many cases prepares the report and order authorizing or denying the application.

The Commission requires semi-annual reports from utilities showing the sales of all securities, which reports are checked by this department in order to determine whether all provisions of the orders are complied with.

The securities authorized by the Commission during the period covered by this report are detailed in the following table:

The securities authorized by the Commission during the period covered by this report are detailed in the following table:

TABLE SHOWING ALL AUTHORIZATIONS TO ISSUE STOCKS, BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS UNDER THE PUBLIC SERVICE COMMISSION LAW FROM DECEMBER 1, 1926, TO NOVEMBER 30, 1928.

Case No.	Name of Company.	Kind of security.	Amount allowed.	Date of permit.
4596	Kansas City Public Service Co.	Bonds.....	\$12,465,200.00	
4633	Missouri Hydro-Electric Co.	Notes	75,000.00	
		Non-Par Stock.	500 shares	5-20-1927
4717	Independence Waterworks Co.	Stock.....	115,700	5-27-1927
4717	Independence Waterworks Co.	Non-Par Stock.	1,608 shares	7-18-1928
4879	Arkansas-Missouri Power Co.	Bonds.....	205,000.00	4-15-1927
5015	Jackson County L., H. & P. Co.	Non-Par Stock	2,500 shares	
		Bonds.....	450,000.00	12-22-1926
5026	Ozark Power & Water Co.	Bonds.....	670,000	2- 3-1927
5042	Laclede Power & Light Co.	Non-Par Stock.	13,200 shares	12-23-1926
5045	Kansas City Power & Light Co.	Bonds.....	3,000,000.00	
		Non-Par Stock.	10,000 shares	12-23-1926
5047	Mo. Southern Public Service Co.	Stock.....	20,000.00	12-23-1926
5054	Kansas City Power & Light Co.	Non-Par Stock.	50,000 shares	1-15-1927
5086	Missouri Electric Power Co.	Bonds.....	189,000.00	2-18-1927
5074	Missouri Telephone Co.	Stock.....	100,000.00	4- 1-1927
5077	Capital City Telephone Co.	Stock.....	50,000.00	2- 3-1927

TABLE SHOWING ALL AUTHORIZATIONS TO ISSUE STOCKS, ETC.—Continued

Case No.	Name of Company.	Kind of security.	Amount allowed.	Date of permit.
5079	Missouri General Utilities Co.	Bonds.....	250,000.00	3- 4-1927
5081	Sedalia Water Company.....	Bonds.....	950,000.00	
		Stock.....	250,000.00	
5083	Springfield Gas & Electric Co.	Non-Par Stock.....	11,750 shares	2- 3-1927
		Bonds.....	3,600,000.00	
5103	Empire District Electric Co.	Non-Par Stock.....	60,012 shares	5- 5-1927
5108	Mo. Southern Public Service Co.	Bonds.....	10,909,000.00	2-23-1927
5109	Mo. Southern Public Service Co.	Bonds.....	33,000.00	5- 6-1927
		Bonds.....	4,312,500.00	
5109	Mo. Southern Public Service Co.	Non-Par Stock.....	43,000 shares	4- 1-1927
5111	Kansas City Power & Light Co.	Non-Par Stock.....	2,875 shares	6-15-1927
		Non-Par Stock.....	20,000 shares	3-29-1927
5118	Joplin Waterworks Co.	Bonds.....	1,000,000.00	
		Stock.....	200,000.00	
5129	Cape Girardeau Bell Tel. Co.	Non-Par Stock.....	10,000 shares	3-31-1927
		Stock.....	225,000.00	
		Non-Par Stock.....	1,250 shares	
5140	Lafayette Telephone Co.	Stock.....	10,000.00	6- 3-1927
5149	Missouri General Utilities Co.	Bonds.....	60,000.00	4-15-1927
5156	Arkansas-Missouri Power Co.	Bonds.....	135,000.00	4-15-1927
5161	Inter-County Telephone Co.	Stock.....	500.00	4-18-1927
5165	Missouri Public Service Co.	Bond.....	875,000.00	
		Non-Par Stock.....	8,400 shares	
5179	Twin City Light & Power Co.	Note.....	25,000.00	4-15-1927
5196	Citizens Gas Co. of Hannibal.	Bonds.....	393,000.00	8-31-1927
		Non-Par Stock.....	3,500 shares	
5197	Citizens Mutual Tel. Co.	Stock.....	6,200.00	8-19-1927
5200	Sedalia Water Co.	Stock.....	40,000.00	6- 8-1927
5211	Missouri Valley Tel. Co.	Non-Par Stock.....	1,000 shares	6-11-1927
5250	Southwest Missouri Railroad Co.	Notes.....	13,453.14	6-27-1927
5252	St. Louis County Gas Co.	Stock.....	300,000.00	6-29-1927
5257	Inter-County Telephone Co.	Stock.....	200,000.00	8- 3-1927
5278	Gasconade Power Co.	Stock.....	100,000.00	9- 7-1927
5309	Mo. Gas & Electric Service Co.	Bonds.....	388,200.00	
		Non-Par Stock.....	8,600 shares	
5318	Union Electric Light & Power Co.	Bonds.....	10,000,000.00	7-29-1927
5338	Albany Telephone Co.	Bonds.....	30,000.00	8-12-1927
5351	Kansas City Power & Light Co.	Non-Par Stock.....	30,000 shares	9- 7-1927
5370	St. Louis Public Service Co.	Non-Par Stock.....	416,838 shares	10- 1-1927
5370	City & Suburban Pub. Serv. Co.	Bonds.....	4,500,000.00	
		Non-Par Stock.....	100 shares	
5393	Missouri General Utilities Co.	Bonds.....	28,500.00	10- 3-1927
5465	Central West Telephone Co.	Stock.....	20,000.00	
		Non-Par Stock.....	500 shares	
5486	Huntsville Telephone Co.	Notes.....	14,400.00	12- 7-1927
5519	Ava Telephone Co.	Notes.....	7,000.00	12-19-1927
5523	West Missouri Telephone Co.	Non-Par Stock.....	1,000 shares	10-13-1927
5525	Midwest Telephone Co.	Stock.....	100,000.00	12-31-1927
		Non-Par Stock.....	2,000 shares	
5563	Troy Telephone Co.	Notes.....	20,000.00	12-13-1927
5571	Mo. Gas & Electric Service Co.	Bonds.....	85,000.00	12-14-1927
5576	Missouri Edison Co.	Bonds.....	500,000.00	11-18-1927
		Non-Par Stock.....	3,400 shares	
5577	Jackson County L. H. & P. Co.	Bonds.....	115,000.00	12-23-1927
5591	Osage Valley Telephone Co.	Stock.....	80,000.00	12-28-1927
5592	Southwestern Bell Telephone Co.	Stock.....	20,000,000.00	12-28-1927
5594	Springfield City Water Co.	Notes.....	75,000.00	12-14-1927
5594	Springfield City Water Co.	Notes.....	116,000.00	1-13-1928
5594	Springfield City Water Co.	Notes.....	137,000.00	5- 1-1928
5594	Springfield City Water Co.	Notes.....	172,000.00	6-30-1928
		Notes.....		11-28-1928

TABLE SHOWING ALL AUTHORIZATIONS TO ISSUE STOCKS, ETC.—Continued.

Case No.	Name of Company.	Kind of security.	Amount allowed.	Date of permit.
5603	Midwest Telephone Co.	Bonds.....	205,000.00	2-29-1928
5624	St. Louis Public Service Co.	Notes.....	2,475,000.00	1-13-1928
5642	Missouri-Illinois Railroad Co.	Stock.....	450,000.00	1-24-1928
5653	Rockport Light & Power Co.	Stock.....	4,000.00	
5656	Greyhound Lines, Inc.	Non-Par Stock.	360 shares	2- 2-1928
5671	Yelloway of Missouri, Inc.	Notes.....	189,000.00	2-10-1928
5684	Middle States Utilities Co.	Non-Par Stock.	2,500 shares	6- 6-1928
5688	Central West Missouri Tel. Co.	Bonds.....	150,000.00	3- 3-1928
		Bonds.....	700,000.00	
5692	Kansas City Public Service Co.	Non-Par Stock.	1,000 shares	4- 9-1928
5703	Kansas City Power & Light Co.	Bonds.....	2,534,800.00	2-11-1928
5707	St. Louis County Gas Co.	Non-Par Stock.	182,000 shares	3-27-1928
5713	National Utilities Co. of Mo.	Stock.....	500,000.00	2-28-1928
		Bonds.....	200,000.00	
5756	Missouri Standard Tel. Co.	Non-Par Stock.	500 shares	3-31-1928
		Non-Par Stock.	2,500 shares	4- 4-1928
5789	Consumers Public Service Co.	Bonds.....	85,000.00	
		Stock.....	25,000.00	
		Non-Par Stock.	1,000 shares	
5809	Ozark Central Telephone Co.	Stock.....	20,000.00	6- 2-1928
5834	Missouri River Telephone Co.	Non-Par Stock.	1,000 shares	5-22-1928
5851	Huntsville Telephone Co.	Non-Par Stock.	300 shares	6- 5-1928
5871	Missouri Power & Light Co.	Bonds.....	1,500,000.00	6-15-1928
5871	Missouri Power & Light Co.	Non-Par Stock.	44,000 shares	8-21-1928
5897	Miller Telephone Co.	Bonds.....	15,000.00	7-12-1928
5898	St. Louis Public Service Co.	Non-Par Stock.	27,000 shares	6- 9-1928
5901	Missouri-Kansas Pipe Line Co.	Bonds.....	1,500,000.00	8-23-1928
5906	Citizens Electric Co. of Missouri.	Non-Par Stock.	105 shares	8-28-1928
5929	Citizens Public Service Co. of Mo.	Non-Par Stock.	1,000 shares	8-28-1928
5947	St. Louis County Water Co.	Bonds.....	1,000,000.00	7-18-1928
5962	Capital City Telephone Co.	Stock.....	25,000.00	7-23-1928
5971	Capital City Water Co.	Bonds.....	170,000.00	
		Stock.....	100,000.00	9-20-1928
5997	Missouri Service Company.	Non-Par Stock.	7,500 shares	9-20-1928
5998	Missouri Service Co.	Bonds.....	635,000.00	9-29-1928
6091	Union Electric Light & Power Co.	Non-Par Stock.	420,000 shares	11-28-1928
6119	Ellington Telephone Co.	Stock.....	9,500.00	11- 9-1928
6126	Cape Girardeau Bell Tel. Co.	Non-Par Stock.	420 shares	11-23-1928
Total Bonds.....				\$63,838,200.00
Total Notes.....				3,318,853.14
Total Stock, Par Value.....				22,950,900.00
Total Stock, No Par Value—Shares.....				1,393,218

REPORT OF GAS, ELECTRIC, HEAT AND WATER DEPARTMENT.

The work of this Department is at present carried on by its Chief and one Stenographer.

The duties of this Department are as follows:

First: The keeping of an accurate official record of all corporations and municipalities furnishing gas, electric, heating

and water service in this State which come under the jurisdiction of the Commission in accordance with the definitions provided by the Public Service Commission Law.

Second: Attention to all correspondence and verbal requests for information coming before the Commission on matters pertaining to the business of furnishing gas, electric, heating or water service and allied technical subjects in general.

Third: Adjustment of all correspondence complaints involving gas, electric, heating or water service.

Fourth: The filing of the schedule of rates of gas, electric, heating and water utilities.

Fifth: General inspection and test of service meters.

Sixth: General supervision of matters pertaining to quality of equipment of gas, electric, heating and water utilities in so far as the public interest, public health and protection of the public and employees are concerned.

Seventh: Analysis, in conjunction with the Accounting Department, of operating reports as required by this Commission's orders allowing temporary rates, from which analyses appropriate orders are made relative to continuing or changing temporary rates as allowed by this Commission.

Eighth: To attend hearings, offer testimony and make investigations when necessary, in matters before the Commission involving permits for electric transmission lines, inductive interference controversies and transfers of utilities, and other formal cases before the Commission relating to standards, adequacy and extensions of utility service.

In handling the work of this department during the past two years there have been written 3,452 letters. Before the majority of these letters is mailed, it is necessary to collect the information and material for it and make copies for enclosures with the letter.

The work done also includes the writing and checking over of 1610 schedules of rates for water, gas, electric, and steam steam heating service, 300 reports and orders, 150 special authority orders.

TELEPHONE AND TELEGRAPH DEPARTMENT.

The Telephone and Telegraph Department of this Commission consists of a Chief and one assistant.

The duties of the employees of this Department are to keep an accurate record of all formal and informal cases filed with this Commission pertaining to telephone and telegraph matters and to keep in its files rates for telephone and telegraph service and rules pertaining to the dealing with the subscribers of the companies and the public in general; to attend all hearings held in Jefferson City, wherein the telephone and telegraph companies' matters are involved and to do such other work pertaining to these subjects as is by the members of the Commission detailed to it.

Since December 1, 1926 this Department has had filed with it 288 formal cases and 286 informal cases. Many subjects have been involved in these cases and complaints of various characters have been investigated by representatives of this Department.

The Missouri public is furnished telephone service by some 1300 companies, of which 475 are companies doing business for hire and coming under the jurisdiction of this Commission, and the remaining 825 are small mutual companies, a majority of which are owned by farmers who maintain their own line and equipment and do not furnish any service to the public in general and are not under the jurisdiction of this Commission.

During the period in which this country was involved in the World War the telephone and telegraph property was taken over by the Federal Government and the Postmaster General put in force certain rules governing the furnishing of the service, but as soon as the property was returned to the private owners the Commission during the month of November, 1919, ordered reductions in the rates for many of the changes.

During the past two years the Commission, after investigations, has issued its orders in reference to telephone rates in the following Cases:

Case No. 4973. Ozark Telephone Company—Application for increase in exchange rates at Dixon, Crocker, and Waynesville, Missouri.

Case No. 5005. Farmers and Merchants Telephone Company of California, for increase in rates for Class "A" rule switching rates, wherein the subscribers own and maintain all equipment beyond the city limits.

Case No. 5059. Walnut Grove Telephone Company, Walnut Grove, Missouri. Application for an increase in rates.

Case No. 5082. Gasconade Central Telephone Company for increase in rates at Hermann, Missouri.

Case No. 5100. Bucklin Telephone Company, Bucklin, Missouri. Application for increase in rates.

Case No. 5241. Fairview Telephone Company, Fairview, Missouri. Application for an increase in rates.

Case No. 5142. Application for increase in rates at Hume, Missouri, and

Case No. 5143. Application of Rich Hill Telephone Company for increase at Rich Hill.

Case No. 5274. Cameron Telephone Company. Application for increase in rates.

Case No. 5314. Application of Austin Inland Telephone Company for permission to increase rates for service at its eight exchanges.

Case No. 5450. Application of California Telephone Company and the Farmers & Merchants Telephone of California, competing exchanges to consolidate the plants and furnish a unified service, and to then put in force certain rates.

Case No. 5461. Application of Central Missouri Home Telephone Company of Holden and the Citizens Mutual Telephone Company, competing telephone companies at that point, to consolidate their two exchanges at that place and furnish a unified service.

Case No. 5580. Application of Scotia Telephone Company to be allowed to change the kind of service at its Imperial, Missouri exchange, to install automatic metallic common battery and to furnish 24-hour service and to increase the rates.

Case No. 5712. T. H. Dilse Telephone Company at Barnett, Missouri. Application for increase in rates.

Case No. 5736. Exeter Telephone Company. Application for increase in Business and Residence rates.

Case No. 5831. Application of the Midwest Telephone Company to be allowed to put in force certain increased rates at Butler, Missouri, after the entire plant has been rebuilt and a common battery metallic line service installed, which included the building of a fire proof building, and placing of wires in cables.

Case No. 5832. Application of Sweet Springs Telephone Company to be permitted to construct a fire proof building,

install a common battery telephone service and to then be allowed to increase the rates for its service.

Case No. 5846. The Albany Telephone Company. Application to furnish common battery service only.

Case 5870. Application of Middle States Utilities Company to increase rates for service at its Jamesport, Missouri exchange.

Case No. 5830. The Wellsville Mutual Telephone Company. Application for increase in rates of rural switching service.

Case No. 5941. Salem Telephone Company. Application for increase in rates.

Case No. 6030. The West Missouri Telephone Company. Application to consolidate certain exchanges, to make necessary improvements, and for increase in rates.

Case No. 6031. The Central West Missouri Telephone Company. Application for increase in rates.

The Southwestern Bell Telephone Company filed new schedules of rates for toll messages which it stated make a reduction in the revenues of that Company of about \$80,000.00 per year.

It is common knowledge that there has been a marked increase in prices of all materials, etc., that enter into the construction of telephone plants, from the years 1913 to 1928, and this advance, under the law, must be reflected in rates allowed the various utilities. Notwithstanding the rise in prices, many of the companies have absorbed this increase and no increase in rates has been granted. Where increases have been permitted, it has been made necessary by better equipment and improved service to the patrons.

TRANSPORTATION DEPARTMENT.

This department handles all matters coming before the Commission pertaining to the freight and passenger rates and the service furnished by the several railroads and the express company serving the State. It examines and files the tariffs published by these common carrier corporations, calling the Commission's attention to any tariffs containing violations of the governing rules, and advising it of advances and reductions proposed by the carriers in their tariffs. The department handles and keeps the Commission fully advised of all informal complaints filed with it and the disposition made thereof. It also

advises the Commission with respect to applications received from these common carriers seeking authority to depart from the rules governing the filing and publication of tariffs, makes rate comparisons and compiles statistics for use in proceedings before this Commission and the Interstate Commerce Commission involving the rates, fares, charges, rules, practices, and facilities of the railroads in Missouri. This biennial period has been one of marked importance from a freight rate standpoint.

Pursuant to a joint resolution of the Congress S. J. Res. 107, commonly known as the Hoch-Smith resolution, approved January 30, 1925, the Interstate Commerce Commission, on March 12 1925 instituted a general investigation bringing in issue all rates, fares, and charges, classifications, regulations and practices relating thereto, of common carriers subject to the Interstate Commerce Act, and also the relationship between the interstate and intrastate rates, fares, and charges of these common carriers.

On or about April 28, 1925 the railroads in the Western District, (which includes the State of Missouri) filed with the Interstate Commerce Commission a petition averring that since the passage of the Transportation Act, 1920, the western carriers had not earned, and were not then earning a fair return upon the aggregate value of their railway property, and asked for an increase in their revenue by advancing all freight rates, excepting a few commodities, 5 percent. A similar petition was filed with this Commission on July 8, 1925. This petition was assigned Case No. 4445 by this Commission and Docket Ex Parte No. 87 by the Interstate Commerce Commission. Joint cooperative hearings were held in numerous cities in the Western District, a decision being entered by the Interstate Commerce Commission on July 14, 1926 denying the petition of the carriers 113 I. C. C. 3. The carriers later withdrew their petition to this Commission.

The Interstate Commerce Commission, on October 11, 1926, issued a notice assigning for hearing the question of class rates within Western Trunk Line territory and between that territory, on the one hand, and Official and Southern Classification Territories, on the other hand. Numerous hearings have been had and a vast amount of evidence received. This Commission cooperated with the Interstate Commerce Commission in the taking of the evidence, and its transportation department

prepared and presented considerable evidence as to traffic and transportation conditions and class rate levels in Missouri as compared with those in adjoining states. Briefs have been filed and a decision is pending at this time.

The Interstate Commerce Commission has also conducted general investigations into the level of rates on grain and grain products, hay, iron and steel articles, furniture, livestock, cotton, cottonseed and its products, and has now instituted an investigation into petroleum oil rates. This Commission's transportation department has been and will be very active in preparing and presenting evidence in these proceedings, most of which involve the Missouri state rates as well as the interstate rates to and from Missouri stations in interstate commerce.

During this biennial period the Commission has adjusted rates on slack and finely crushed coal from the Rich Hill and Brownington group of coal mines to Kansas City and St. Joseph, has investigated, upon complaint, the rates on cement in Southern Missouri, charges made for switching at all junctions in Southern Missouri, and the published distance tariffs of all carriers in Missouri, and has disposed of numerous proceedings involving particular rates or charges made by railroads at or between local points.

The transportation department has handled 33 informal complaints, 105 special authority requests by railroads and has participated in over thirty formal proceedings before the Commission and the Interstate Commerce Commission during the biennial period.

MOTORBUS DIVISION PUBLIC SERVICE COMMISSION.

The law for the control and regulation of motor carriers was enacted by the Fifty Fourth General Assembly in 1927. It became effective on July 3, 1927 and upon that date the Commission established the Bus Division.

At the time the law became effective, those motorbus operators in the state, who had been conducting a motorbus business, filed with the Commission their applications for certificates of convenience and necessity. In a few weeks' time there were a large number of applications filed with this Commission and the hearings started as soon as the notices required by law could be given.

For a few weeks the office was deluged with applications of this character and since July 3, 1927, there have been approximately 199 applications filed either for certificates of convenience and necessity, or for transfer of certificates. The Commission held almost daily hearings until the bulk of the application had been disposed of by January 1, 1928, since which time the applications have settled down to a normal condition.

The records show that out of the 199 applications filed to December 1, 1928, there have been 127 certificates of convenience and necessity issued. Thirty eight applications were either dismissed or denied and twenty two certificates have been transferred upon formal applications in accordance with Section 4 of the motor bus law.

The Commission has collected to December 1, 1928, the sum of \$55,266.32 from the various motorbus operators in the state in license fees upon their busses, and as fees for the operation of special busses, as required by the statute. These fees have been certified to the State Treasurer from this office showing the mileage, under each certificate, over which the bus operation is conducted with the total amount designated in the certificate to be applied under the law to the various municipalities, counties and state highway system.

Some of the applications which have been before the Commission have been contested by opposing interests, and the Commission has considered the various conditions surrounding the operations of each carrier and used its best judgment in the awarding of certificates to those who were justly entitled to them. Under Section 11 of the motorbus law the Commission was required to grant certificates of convenience and necessity to those operators who were bona fide operators on the first day of December, 1926 upon a showing that there was demand for such service. This was considered almost obligatory upon the Commission and the certificates under this provision constituted almost three fourths of the total number of certificates issued.

The Commission has found in the main, that the motorbus act covers the situation as it exists in the state, but there is some necessity for clarifying certain sections in order that confusion may be avoided in the future. The operation of the law has stabilized the motor carrier business to a considerable extent yet there are violations of the provisions of the law which the Commission cannot reach at the present time.

Liability of all carriers of passengers in the state is fixed and each carrier has been required to deposit a liability policy covering the operations of its busses in the state. These policies are kept on file in the Public Service Commission.

The Commission has issued General Order No. 25, a series of rules and regulations which the motorbus operators are required to follow. These rules have to do with all phases of the motorbus operations in the state and the Commission has particularly stressed the matter of public safety in the promulgation of these rules. There are now operating in the state approximately 341 busses varying in size from seven passenger cars to thirty passenger busses. Regulation has greatly lessened the danger to the travelling public of this operation and by insistence upon the filing of liability insurance policies has made the carriers financially responsible for injuries done.

This department consists of a Director and one stenographer.

REPORTS OF THE COMMISSION.

The Commission has to date issued fifteen bound volumes of its regular reports. Volume XVI is now in the hands of the printer and will be ready for distribution within a few days. The Commission has also compiled and published a digest of the first eleven volumes of the reports. This digest (one volume) is divided into two parts: (1) a digest covering the cases reported; and (2) the Missouri Public Service Commission Law. Both the digest of decisions and reports and the digest of the law are annotated.

In these reports will be found the important reports and orders of the Commission for the period covered by the volume.

The Commission has also resumed the publication of advance sheets which are distributed without any additional cost to regular subscribers to the bound volumes. Each issue of advance sheets is intended to cover approximately one-fourth the number of total cases which will finally appear in the bound volume and are published for the purpose of supplying attorneys for the public and for the utilities with cases decided by the Commission several months in advance of the time they would normally have appeared if contained only in the bound volumes. The Commission was enabled to offer this better service to those appearing before it at a slightly increased cost over the cost of

the bound volumes for the reason that type set for the advance sheets is held by the printer until final compilation of material for a single bound volume.

A great number of cases are handled by the Commission as "informal cases" which are not included in the published reports. Many other matters are handled through correspondence and in conference by the several departments in the regular course of business, and are disposed of without being placed on the docket.

The bound volumes of the Commission and the digest are sold at \$2.50 per volume and advance sheets are furnished as printed to each of the regular subscribers for the bound volumes.

FEES COLLECTED.

In accordance with the provisions of Section 21 of the Public Service Commission Law, Section 10430 of the Revised Statutes of Missouri, 1919, this Commission has collected and paid into the State Treasury, since November 20, 1926, up to December 1, 1928 the following amounts:

December, 1926.....	\$2,455.63
For the year 1927.....	63,874.05
For the first 11 months of 1928.....	46,032.58
Total.....	\$112,362.26

This amount was collected for the following accounts:

Audits and Appraisals.....	\$67,218.59
Fees for Bond Issues.....	36,794.10
Miscellaneous.....	8,349.57
Total.....	\$112,362.26